

Calendar Year Projections for the United States and IRS Centers 2003 - 2010

Document 6186

Fall 2003 Update



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*Office of Research
Research, Analysis and Statistics*

Overview

This 2003 edition of Document 6186, *Calendar Year Return Projections for the United States and IRS Centers*, provides the most recent revisions to the number of tax returns to be filed for the United States and IRS processing centers by major return categories. Also contained in this document are projections of the number of returns to be filed for the United States by examination class. These forecasts are primarily used for IRS planning, budgeting, and other analytical functions.

The Research staff, under the Office of Research, Analysis and Statistics, develops and updates these forecasts annually. This update of Document 6186 incorporates the actual 2002 filing season volumes, as well as monthly 2003 filing season results through late summer. Projections reflect the current economic situation in addition to the impacts of approved legislative and administrative changes. It should be emphasized that legislative and administrative initiatives under consideration are generally not used to update these projections due to the uncertain nature of their eventual outcome. Thus, the electronic filing (e-file) projections contained in this publication are not goals, per se, and should not be interpreted as precluding an alternative e-file future more in line with levels sought by Congress.

Data Sources and Projection Methodology

The actual number of returns filed in calendar year (CY) 2002 is based on returns processed and recorded on the IRS master files. With a few exceptions, these volumes are based on the same master file reporting systems as those used in the Internal Revenue Service Data Book (Publication 55B). The forecasts presented in Document 6186 are based on a variety of statistical models that relate the number of returns filed in a calendar year to economic and demographic variables, observed time trends, or past filing patterns. Global Insight, Inc. provides the majority of the economic and demographic data used. Examples of key economic variables include personal income, civilian employment, and gross domestic product. Customers interested in obtaining more detail on forecasting methodologies are welcome to contact the applicable staff member listed on the inside front cover.

Impact of Recent Legislative and Administrative Changes

As mentioned above, the effects of enacted legislation and administrative plans are embedded in these projections. The most significant of these changes, relative to the level of tax return detail found in this document, are discussed below.

Reconfiguration of IRS Center Processing Sites

Recent IRS modernization efforts have resulted in a major redistribution and consolidation of returns processing among the ten IRS submission processing centers. In CY 2002, the IRS began processing most paper individual returns at eight centers, and began transitioning a large portion of paper business and exempt organization returns at the other two sites, Ogden and Cincinnati. During CY 2003, IRS made efforts to move to a full “8-2” split, with eight centers handling all returns associated with individuals and two centers handling the remaining business returns. Additionally, in CY 2004, IRS plans to cease submission processing operations at the Brookhaven center thus moving to a “7-2” configuration. There are also some subtleties about

the distribution of returns among the two business centers. In most instances, the submission processing site will depend on the return filer's geographic location. However, in certain cases the specific return type, or IRS-determined business operating division classification (i.e., whether with Small Business/Self-Employed, Tax Exempt/Government Entity, or Large and Mid-Sized Business) override the geographic criterion.

Center level forecasts of return volumes are presented in Tables 3 through 12 and reflect all the planned modernization alignments, which often vary from year to year. Following the tables are charts that reflect the general configurations of states (i.e., the former IRS district offices) to IRS submission processing centers by type of return, by year. The center level individual return projections for CY 2005 through 2010 reflect the most recent alignment, while the center level business return projections for CY 2003-2010 reflect the 2002 configuration.

Individual Electronic Filing

In keeping with the IRS Restructuring and Reform Act of 1998, which strongly encourages the promotion of paperless filing, the number of total individual returns filed electronically continued to increase substantially in the past few years. IRS efforts to promote the e-file program include partnering with private industry, and other measures as described below.

Free File Alliance with Private Industry

In a major IRS-industry effort to promote and encourage electronically filed returns, a consortium of 17 private sector companies provided free tax preparation and e-filing options via the Internet starting in the 2003 filing season. More than 2.7 million qualifying taxpayers filed on-line individual returns by accessing various consortium member companies' web sites. The link to consortium companies' web sites will continue to be provided on the IRS home page (www.irs.gov).

E-Services Products

The IRS will also provide incentives for practitioners to increase e-filing by offering web-based products that allow interactions with the IRS electronically. The "e-services" products give qualifying members access to such processes as electronic account resolution, disclosure authorization, transcript delivery system, and Taxpayer Identification Number (TIN) matching. The products should reduce paperwork as well as the response time from the IRS. These products will also be accessible from the IRS home page. In order to register and qualify for this program, practitioners must be an Electronic Return Originator (ERO) and have filed more than 100 electronic returns during the previous filing year. The "e-services" products are projected to bring an added boost to e-filing starting in CY 2004.

Mandatory E-filing of State Returns

Certain states are mandating the e-filing of state returns starting in the 2004 filing season, from practitioners that meet specified requirements. States such as California are mandating e-filing of state returns from practitioners who prepare more than 100 individual state income tax returns annually and use one or more tax preparation software packages. Failure to comply with the mandate results in a steep penalty of \$50 per return. Promotion of e-filing at the state level also translates into increases in federal e-filed returns. Minnesota and Wisconsin have

implemented mandates for e-filing of state returns in CY 2003. In addition, Michigan and Oklahoma will also mandate e-filing in CY 2004.

Unique Drops in Total Individual Filings for CY 2003

In what is a rare development, partial year data for late summer indicated that return filing volumes in CY 2003 will be lower than those for 2002 for individual income tax returns. Such year-to-year declines in filing volumes have only occurred a few times over the past three decades. We attribute this most recent occurrence to two factors, filing extensions to military personnel overseas, and slow growth in the U.S. economy in 2002.

Data indicate that individual income tax returns received in 2003 will be about 283,000 returns less than the number received in 2002. We believe that the special filing extension granted to our military forces in the Persian Gulf and related war zones is contributing to fewer tax returns filed this year. However, the main cause of the expected drop in individual tax return filings in 2003 is the drop in employment in both 2001 and 2002. Less people employed means fewer people required to file tax returns. However, the recent increase in economic growth and projections for higher growth in the future, will translate into projections for future growth in return filings.

Business e-file Returns

The election options available for the filing of business returns continue to expand. In the employment area, new "XML" e-file software was implemented in the beginning of CY 2003. This new XML format will replace the existing magnetic tape, e-file and on-line options and lead to their eventual phase-out. Beginning in CY 2004, selected corporate (Forms 1120/A, 1120S and 1120 POL) and exempt organization (Forms 990, 990EZ, and Supplemental Form 8868) returns will also have the option of electronic filing.

Foreign Sales Corporation Repeal and Extraterritorial Income Exclusion Act of 2000

The Foreign Sales Corporation (FSC) Repeal and Extraterritorial Income Act of 2000 repeals provisions in the U.S. Internal Revenue Code relating to taxation of foreign sales corporations. The legislation was passed in response to a dispute settlement panel of the World Trade Organization (WTO), which deemed that the provisions amounted to a subsidy that violates several WTO agreements. The Act specifies that no new FSCs could be created after September 30, 2000. However, in the case of an FSC already in existence, the amendments made by the Act do not apply to any transactions that occurred before January 1, 2002. As a result of the Act, there was a significant decrease in the volume filed of Forms 1120 FSC in CY 2003, followed by a minimal level of returns filed in CY 2004, with a gradual phase-out thereafter.

Changes in Estate Tax

The Economic Growth and Tax Relief Reconciliation Act of 2001 reduced estate tax liability by raising the allowable exempt amount of taxable estates and by lowering the maximum tax rate for calendar years 2002 through 2009. Under current law, the estate tax will be repealed in 2010, but in 2011 will revert to the law in place before June 7, 2001. The effects of this new tax law account for the projected downward trend in estate tax return filings.

Paperwork Burden Reduction

In 2003, the Paperwork Burden Reduction Act eliminates the requirement for a corporation filing Form 1120 to complete Schedules L, M-1, and M-2 if the corporation's total receipts and total assets are less than \$250,000. This prompts master file programming to pick up the asset size of the corporation from another field if no Schedule L is attached. As a result, a number of returns previously listed as No Balance Sheet will now have an assigned assets size demarcation. Our projection of the Corporation C Examination Class incorporates the anticipated impact in this master file reporting change.

Summary of Significant Revisions and Trends

This section examines some of the forecasted trends in more detail, with some comparisons to projections found in last year's update of this document. In addition, readers with a particular interest in the individual income tax returns also may wish to review *IRS Document 6187 Calendar Year Projections of Individual Returns by Major Processing Categories (Rev. 11-03)*.

As presented in Table 2, the Grand Total return volume is estimated to be 224 million for CY 2003, a 1.5 percent decrease from the CY 2002 level of 227 million returns. This drop is mainly due to the decline in total individual filings, as described above. The Grand Total volume is expected to reach 250 million returns in CY 2010, which represents an average annual growth rate over the period for 2003 to 2010 of approximately 1.4 percent. The growth rate varies across geographic IRS center locations because of differences in regional economic conditions and differences in the composition of returns filed at each center.

Individual Tax Returns

The projected total individual income tax returns (i.e., the sum of paper and electronic Forms 1040, 1040A, 1040EZ, 1040NR, and 1040PR/SS) are expected to grow from 131 million returns in CY 2003 to 132 million in 2004. This is an increase of roughly 0.7 percent. Between CY 2003 through 2010, we expect the individual total to grow at an average annual rate of about 1.3 percent.

Individual e-file Returns

Reflective of IRS efforts to encourage e-filing in the area of individual returns, the total e-filed volume of returns will increase by 5.9 million (12.6 percent) in CY 2003. On-line filed electronic returns, the fastest growing component of e-file returns, will rise around 2.5 million (almost 27 percent) over the CY 2002 filing experience. IRS-industry initiatives will contribute to this increase in e-file returns. E-file volumes are projected to increase by 13.2 percent in CY 2004, and 11.5 percent in CY 2005.

Individual Estimated Tax Returns

The estimated count for Individual Estimated Tax payment vouchers (Form 1040ES) for CY 2003 is approximately 29 million. This is a decrease of about 4.5 million vouchers (about 13.5 percent) from CY 2003. This decrease in the Form 1040ES volume is based on the partial year 2003 filing results through August, which indicated a dramatic drop for the year. We attribute

this unprecedented drop in Forms 1040ES to a combination of factors. One cause we suspect is the dramatic slump in the stock market in 2002, which greatly reduced the amount of capital gains realized in tax year 2002 (and thus one source for the need to make estimated tax payments). Another source for this drop is the impact of the recent tax reductions. In addition, the “sluggish” growth in income in 2002 also reduced the need to make estimated tax payments.

Exempt Organizations

In last year’s revision of this document, the return category “Exempt Organization” (EO) was been expanded due to customer requests and included the following additional returns: Forms 5330, 5558, 8038, 8038G, 8038GC, 8038T, 8328, 8871 and 8872. However, based on customer input, changes were made in this update that included re-categorizing Forms 8038, 8038G, 8038GC, 8038T, and 8328 as “Government Entities.” Forms 5330 and 5558 are listed as separate line items, and Forms 8871 and 8872 are categorized as “Political Organizations” along with Form 1120 POL, which was listed under “Corporation” in the last cycle. These changes affect the reported Exempt Organization figures, compared to last year’s revision. We also caution our customers that limited historical data were available for these new EO forms and clear trends were rarely evident.

Also due to customer input, the labels for Fiduciary Examination Classes have been updated to more accurately reflect the contents of each category. The class that was labeled as “Total Tax without Income Distribution” is now referred to as “Income Distribution Deduction with Tax,” and the class formerly labeled as “Income Distribution without Total Tax” is now labeled “Income Distribution Deduction Greater than \$0 with No Tax.” The “Other” class includes all other returns.

Projections and Forecasting Performance Measurement

In an effort to provide Projections and Forecasting customers with a measurement of the quality of our products and services, we present the following “Track Record of Projections Accuracy” and “Customer Satisfaction Survey” results. The track record provides quantitative measures of our forecasting accuracy, while the survey results present more qualitative information on internal IRS customer views of our products and services. This feedback is included in all of our major projection publications.

Track Record of Projections Accuracy

This “Track Record” section, along with Table 14, provides a brief analysis of the accuracy of prior projections prepared by the Projections and Forecasting staff within the Office of Research. Using four years of actual data (1999 through 2002), Table 54 presents the accuracy of our national level projections, by major return categories, as presented in our various documents published from 1994 to 2001. This track record material covers only the major return categories we forecast on a calendar year basis. It serves as a general measure for gauging the overall reliability of our U.S. level return projections.

The return categories considered in Table 14 consist of the following: Grand Total, Total Primary Returns, Individual (income tax) Total, Individual Estimated Tax, Fiduciary, Partnership, Corporation, Employment, Exempt Organization, and Excise. Where there were sufficient data on prior forecasts, we have also included selected breakouts of “paper” volumes

versus “e-file/magnetic tape” filings. The table presents two measures of projection accuracy: the mean absolute percent error (MAPE), and the number of overprojections. We also include the latest actual filing volumes for 2002 to provide a perspective on the relative size of the “errors.” The MAPE is computed as the average percent projection error (regardless of whether they were over- or under- projections) over the four most recently applicable projection cycles. The associated number of overprojections for the four cycles can show whether we consistently over- or under- project. Because we do not want a net bias in either direction, a value of two (2) is most desirable. The table groups these two measures by time horizon. The time horizon is determined by when the forecast was made and for what future year. For example, a forecast for 2000 made in 1997 would be part of the “3-years-ahead” time horizon. The table presents time horizons from one to five years ahead. For each, we factor in the most current four observations. For example, for the “3-years-ahead” information, we use the forecasts made in 1996 for 1999, those made in 1997 for 2000, those made in 1998 for 2001, and those made in 1999 for 2002.

Customer Satisfaction Survey and Comments

In January 2003, as part of our commitment to performance measurement, the Projections and Forecasting Group conducted our fourth annual survey of IRS customers to determine satisfaction levels with our products and services. The table below summarizes the results of those surveys on four major dimensions.

PFG Customer Satisfaction Survey Results: Percent “Satisfied” or “Very Satisfied”

<u>Measure</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Accuracy of Forecasts	81	83	84	80
Timeliness	75	73	80	89
Responsiveness of PFG Staff	67	64	72	74
Overall Satisfaction	85	87	85	91

We thank customers who have participated in our past surveys and ask for your continued cooperation in future surveys. Also, we continually seek to improve customer service wherever we can and we welcome customer feedback at any time. Comments and suggestions regarding this document can be directed to Wanda Ross, Acting Chief, Projections and Forecasting Group on (202) 874-0838. Questions concerning a specific tax return listed in this document may also be directed to the projections staff listed on the inside front cover. Finally, the tables contained in this document are also available electronically, as noted on the inside front cover.

Eric Toder
Director, Office of Research

Table Notes

Detail may not add due to rounding.

Most projections are based on counts of returns filed as recorded in the *Reports of Returns Posted to the IRS Master Files*, with a few exceptions. The historical 2002 count of Form 1040X reflects some estimation by Research staff to correct for known shortcomings in the official Master File reports that result in some undercounting of this return type. In addition, counts for some of the newly added returns were provided by program staff from the Ogden center, while counts for certain miscellaneous e-file components under Forms 1040ES and 4868 were also supplied by program staff.

Data configured to reflect the center processing the return. Center level data for 2002 reflect the fact that some taxpayers did not comply with the realignment changes.

Changes in master file report programs associated with some unique administrative and legislative changes account for a few unique "level shifts" in certain examination classes in Table 13.

"Grand Total" is the sum of "Primary Total" and "Supplemental Documents."

"Primary Total" is the sum of all returns, excluding "Supplemental Documents."

"Selected Documents" consists mainly of applications for extensions of time to file and amended tax returns.

"Individual Total" is the sum of paper and electronic Forms 1040, 1040A, 1040EZ, 1040NR, 1040PR, and 1040SS.

"Forms 1040/A/EZ" is the sum of the paper and electronic Forms 1040, 1040A, and 1040EZ.

"Corporation" includes Forms 1120, 1120A, 1120F, 1120H, 1120L, 1120S, 1120SF, 1120FSC, 1120PC, 1120REIT, and 1120RIC. As a result of enacted legislation, Form 1120 FSC returns are expected gradually phase-out after 2003.

"Employment Tax" includes paper, magnetic tape, electronic, and Telefile Forms 940, 940EZ, 940PR, 941, 941E, 941PR, 941SS, 943, 943PR, 945, and CT-1.

"Estate" includes Forms 706, 706NA, 706GS (D), and 706GS (T).

"Excise" includes Forms 11C, 720, 730, and 2290.

"Exempt Organization" includes Forms 990, 990EZ, 990T, 990C, 990PF, 4720, and 5227.

"Government Entities" includes Forms 8038, 8038G, 8038GC, 8038T, and 8328.

"Fiduciary" includes paper, electronic, and magnetic tape Form 1041.

“Form 1042” is the *Annual Withholding Tax Return for U.S. Source Income of Foreign Persons*. It sometimes is considered an employment tax return, but is listed separately in this document.

“Form 1066” is the *U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return*.

“Form 8752” is the *Computation of Required Payment or Refund by Partnership or S-Corporation*.

“Forms 8871” and “Form 8872” are *Political Organization Notice of Section 527 Status* and *Political Organization Report of Contributions and Expenditures*.

Alignment of IRS Centers for Paper Returns - CY 2002

Andover IRS Center

Massachusetts
Part of New York
(former Albany and Buffalo Districts)
Michigan
Rhode Island

Atlanta IRS Center

Georgia
South Carolina
North Carolina
Florida
West Virginia

Austin IRS Center

New Mexico
Idaho
Wyoming
Colorado
Montana
Texas
Arizona

Brookhaven IRS Center

Part of New York
(former Brooklyn and Manhattan Districts)
New Jersey

Cincinnati IRS Center

Ohio

Ogden IRS Center

South Dakota
North Dakota
Nebraska
Washington

Memphis IRS Center

Alabama
Mississippi

Arkansas
Kentucky
Tennessee
Louisiana
Virginia

Kansas City IRS Center

Iowa
Wisconsin
Oklahoma
Utah
Illinois
Missouri
Minnesota
Kansas

Pennsylvania IRS Center

Maine
Maryland
Vermont
Connecticut
Indiana

International
Pennsylvania
New Hampshire
Delaware

Fresno IRS Center

Alaska
Hawaii
California
Nevada
Oregon

Configuration of IRS Centers for Paper Individual Returns—2003 Alignment

Andover IRS Center

Maine
Massachusetts
Part of New York
(former Albany and Buffalo Districts)
Vermont
Michigan
New Hampshire
Rhode Island

Atlanta IRS Center

Georgia
South Carolina
North Carolina
Mississippi
Florida
West Virginia

Austin IRS Center

New Mexico
Texas
Wyoming
Colorado
Montana
Kentucky
Louisiana
Oklahoma

Brookhaven IRS Center

Part of New York
(former Brooklyn and Manhattan Districts)

Memphis IRS Center

Alabama
Ohio
Arkansas
Tennessee
Virginia

Kansas City IRS Center

South Dakota
Illinois
Iowa
North Dakota
Indiana
Wisconsin
Nebraska
Utah
Missouri
Minnesota
Kansas

Philadelphia IRS Center

Maryland
Connecticut
International
New Jersey
Pennsylvania
Delaware

Fresno IRS Center

Alaska
Idaho
Hawaii
California
Nevada
Arizona
Oregon
Washington

Configuration of IRS Centers for Paper Individual Returns—2004 Alignment

Andover IRS Center
New York
Maine
Massachusetts
Vermont
New Hampshire

Atlanta IRS Center
Georgia
Alabama
South Carolina
Florida
North Carolina
Mississippi
West Virginia
Rhode Island

Austin IRS Center
New Mexico
Colorado
Texas
Arkansas
Kentucky
Louisiana
Oklahoma
Tennessee

Memphis IRS Center
Ohio
Virginia

Kansas City IRS Center
South Dakota
Iowa
Michigan
North Dakota
Indiana
Wisconsin
Nebraska
Illinois
Missouri
Minnesota
Kansas
Delaware

Philadelphia IRS Center
Maryland
Connecticut
International
New Jersey
Pennsylvania

Fresno IRS Center
Alaska
Idaho
Wyoming
Montana
Hawaii
California
Nevada
Arizona
Oregon
Washington
Utah

Configuration of IRS Centers for Paper Individual Returns—2005 Alignment

Andover IRS Center
New York
Maine
Massachusetts
Vermont
New Hampshire

Atlanta IRS Center
Georgia
Alabama
South Carolina
North Carolina
Connecticut
Mississippi
Florida
Rhode Island

Austin IRS Center
New Mexico
Texas
Arkansas
Kentucky
Louisiana
Tennessee
Oklahoma
Nebraska
Kansas

Memphis IRS Center
Ohio

Kansas City IRS Center
Ohio
Iowa
Michigan
Indiana
Wisconsin
West Virginia
Virginia
Illinois
Missouri
Minnesota
Delaware

Philadelphia IRS Center
Maryland
International
New Jersey
Pennsylvania

Fresno IRS Center
South Dakota
Alaska
Idaho
Wyoming
Colorado
North Dakota
Montana
Hawaii
California
Nevada
Arizona
Oregon
Washington
Utah

Configuration of IRS Centers for Paper Individual Returns—2006 Alignment

Andover IRS Center
New York
Maine
Massachusetts
Vermont
New Hampshire

Atlanta IRS Center
Georgia
Maryland
South Carolina
North Carolina
Connecticut
Florida
Rhode Island

Austin IRS Center
New Mexico
Alabama
Texas
Mississippi
Kentucky
Louisiana
Tennessee
Oklahoma
Nebraska
Kansas

Kansas City IRS Center
Ohio
Michigan
Indiana
Arkansas
West Virginia
Virginia
Illinois
Missouri
Delaware

Philadelphia IRS Center
International
New Jersey
Pennsylvania

Fresno IRS Center
South Dakota
Alaska
Idaho
Wyoming
Colorado
Iowa
North Dakota
Montana
Hawaii
California
Nevada
Wisconsin
Arizona
Oregon
Washington
Utah
Minnesota

Configuration of IRS Centers for Paper Individual Returns—2007 Alignment

Andover IRS Center
New York
Massachusetts
Vermont
New Hampshire

Atlanta IRS Center
Georgia
Maryland
South Carolina
North Carolina
Connecticut
Florida
West Virginia
Rhode Island
Delaware

Austin IRS Center
New Mexico
Texas
Alabama
Colorado
Mississippi
Tennessee
Louisiana
Oklahoma
Nebraska
Kansas

Kansas City IRS Center
Maine
Ohio
Indiana
Arkansas
Kentucky
New Jersey
Virginia
Illinois
Missouri

Philadelphia IRS Center
International
Pennsylvania

Fresno IRS Center
South Dakota
Alaska
Idaho
Wyoming
Iowa
Michigan
North Dakota
Montana
Hawaii
California
Nevada
Wisconsin
Arizona
Oregon
Washington
Utah
Minnesota

Configuration of IRS Centers for Paper Individual Returns—2008 Alignment

Andover IRS Center

New York
Massachusetts

Atlanta IRS Center

Georgia
Maryland
South Carolina
North Carolina
Connecticut
Florida
West Virginia
Delaware

Austin IRS Center

New Mexico
Alabama
Colorado
Texas
Mississippi
Tennessee
Louisiana
Oklahoma
Nebraska
Kansas

Kansas City IRS Center

Maine
Vermont
Ohio
Indiana
International
Arkansas
Kentucky
New Jersey
Pennsylvania
New Hampshire
Rhode Island
Virginia
Illinois
Missouri

Fresno IRS Center

South Dakota
Alaska
Idaho
Wyoming
Michigan
Iowa
North Dakota
Montana
Hawaii
California
Nevada
Wisconsin
Arizona
Oregon
Washington
Utah
Minnesota

Configuration of IRS Centers for Paper Individual Returns—2009 Alignment

Andover IRS Center
New York

Atlanta IRS Center
Georgia
Massachusetts
South Carolina
North Carolina
Florida
Virginia
Delaware

Austin IRS Center
Texas
Alabama
Mississippi
Arkansas
Kentucky
Tennessee
Louisiana
Oklahoma
Nebraska
Kansas

Kansas City IRS Center
Maine
Maryland
Vermont
Ohio
Connecticut
Indiana
International
New Jersey
West Virginia
Pennsylvania
Pennsylvania
New Hampshire
Rhode Island
Illinois
Missouri

Fresno IRS Center
New Mexico
South Dakota
Alaska
Idaho
Wyoming
Colorado
Michigan
Iowa
North Dakota
Montana
Hawaii
California
Nevada
Wisconsin
Arizona
Oregon
Washington
Utah
Minnesota

Configuration of IRS Centers for Paper Individual Returns—2010 Alignment

Atlanta IRS Center

Georgia
Maine
Massachusetts
Vermont
South Carolina
North Carolina
Connecticut
New Jersey
New Hampshire
Rhode Island
Virginia
Delaware

Austin IRS Center

Texas
Alabama
Florida
Arkansas
Kentucky
Mississippi
Tennessee
Louisiana
Oklahoma
Kansas

Kansas City IRS Center

New York
Maryland
Illinois
Ohio
Indiana
International
New York
West Virginia
Pennsylvania
Missouri

Fresno IRS Center

South Dakota
New Mexico
Alaska
Idaho
Wyoming
Colorado
Michigan
Iowa
North Dakota
Montana
Hawaii
California
Nevada
Wisconsin
Nebraska
Arizona
Oregon
Washington
Utah
Minnesota

**Alignment of IRS Centers for Standard Electronically
Filed Returns – CY 2002 and 2003**

Andover IRS Center

New York
Maine
Maryland
Massachusetts
Vermont
Connecticut
New Jersey
Pennsylvania
New Hampshire
Rhode Island
Virginia
Delaware

Austin IRS Center

New Mexico
Texas
Illinois
Iowa
Wisconsin
Oklahoma
Missouri
Minnesota
Kansas

Memphis IRS Center

Georgia
Alabama
North Carolina
Mississippi
Arkansas
Tennessee
Louisiana

Ogden IRS Center

South Dakota
Alaska
Idaho
Wyoming
Colorado
North Dakota
Montana
Hawaii
California
Nevada
Nebraska
Arizona
Oregon
Utah
Washington

Cincinnati IRS Center

Ohio
South Carolina
Michigan
Indiana
Florida
Kentucky
West Virginia

E-file returns with International addresses may be processed at any of the five processing centers.

**Alignment of IRS Centers for Standard Electronically
Filed Returns – CY 2004 and Beyond**

Andover IRS Center

New York
Maine
Maryland
Massachusetts
Vermont
Connecticut
New Jersey
Pennsylvania
New Hampshire
Rhode Island
Virginia
Delaware

Memphis IRS Center

Georgia
Alabama
North Carolina
Mississippi
Arkansas
Tennessee
Louisiana

Kansas City IRS Center

Ohio
South Carolina
Michigan
Indiana
Florida
Kentucky
West Virginia

Austin IRS Center

New Mexico
Texas
Illinois
Iowa
Wisconsin
Oklahoma
Missouri
Minnesota
Kansas

Philadelphia IRS Center

South Dakota
Alaska
Idaho
Wyoming
Colorado
North Dakota
Montana
Hawaii
California
Nevada
Nebraska
Arizona
Oregon
Utah
Washington

IRS Centers/Processing Sites for TeleFile – CY 2002 and 2003

Cincinnati IRS center

Ogden IRS center

Tennessee Computing Center

Beginning in CY 1997, Cincinnati and Ogden IRS centers and the Tennessee Computing Center each processed about one-third of the national volume of TeleFile returns, regardless of the state in which the TeleFile return was submitted. Under this design, the first TeleFile call to the IRS is routed to Cincinnati, the second TeleFile goes to Ogden, and the Tennessee Computing Center receives the third call (though, not necessarily in that order). As the fourth TeleFile call is received, it is routed to Cincinnati, and so on, such that eventually each center/site processes approximately an equal number of the total volume of U.S. TeleFile returns.

IRS Centers/Processing Sites for TeleFile – CY 2004 and Beyond

Kansas City IRS center

Philadelphia IRS center

Tennessee Computing Center

Beginning in CY 2004, Kansas City and Philadelphia IRS centers and the Tennessee Computing Center will each process about one-third of the national volume of TeleFile returns, regardless of the state in which the TeleFile return was submitted.

Alignment IRS Centers for Most Paper Business Returns - CY 2002 and Beyond

Cincinnati IRS Center

Albany
Augusta
Baltimore
Boston
Brooklyn
Buffalo
Burlington
Chicago
Cincinnati
Cleveland
Columbia
Detroit
Greensboro
Hartford
Indianapolis
Louisville
Manhattan
Milwaukee
Newark
Parkersburg
Philadelphia
Pittsburgh
Portsmouth
Providence
Richmond
Springfield
Wilmington

Philadelphia IRS Center International

Ogden IRS Center

Aberdeen
Albuquerque
Anchorage
Atlanta
Austin
Birmingham
Boise
Cheyenne
Dallas
Denver
Des Moines
Fargo
Fort Lauderdale
Helena
Honolulu
Houston
Jackson
Jacksonville
Laguna Niguel
Las Vegas
Little Rock
Los Angeles
Nashville
New Orleans
Oklahoma City
Omaha
Phoenix
Portland
Sacramento
Salt Lake City
San Francisco
San Jose
Seattle
St. Louis
St. Paul
Wichita

There are exceptions to the above geographical alignment for certain form types, and for certain form types based on their IRS “business operating division” demarcation.